GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:5253
ANSWERED ON:22.12.2000
DECLINE IN TRADE WITH RUSSIA
RAMDAS ATHAWALE

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

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(a) whether Indo- Russian trade has shown a declining trend for the last three years ; (

(b) if so, the details thereof and the main reasons therefor;

(c) whether any concrete steps are being considered by both the Governments to improve the Indo - Russian trade ; and

(d) if so, the details thereof ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMAR ABDULLAH)

(a) : Except for the financial year 1998-99, the Indo-Russian trade has not shown any declining trend for the last three years.

The Indo-Russian bilateral trade during the last few years is as under:-

(in Rupees Crores)
1996-97 5110.52

(April-March)
1997-98 6062.21

(April-March)
1998-99 5279.71

(April-March)
1999-2000 6798.53

(April-March)

(Provisional)

(Source: DGCI&S, Calcutta)

(b): The reasons for decline during the financial year 1998-99 were, inter alia, due to the crisis in Russia`s financial and banking sector as well as the global economic slowdown.

(c) and (d) : The present Indo-Russian bilateral trade does not reflect its true potential. During the Sixth Session of Indo-Russian Working Group on Trade and Economic Cooperation held at New Delhi in January, 2000it was felt that potential existed in export of agricultural products like spices, oil meals, tropical foods and food juices from India, cooperation in the civil aviation sector, diversification of bilateral trade especially in high quality and hi-tech items. Government of India has taken a number of steps for identifying new areas of cooperation and to increase the bilateral trade, which include:

- promotion of dialogue with the Russian side including discussions at the highest level;
- constant review of bilateral trade through the Joint Commission mechanism with its Working Group on Trade and Economic Cooperation and various Sub-Groups on Transport, Banking and Financial Matters, Agriculture;
- facilitating through bilateral consultations, the rapid utilisation of debt owed to Russia in the form of export of goods and services;
- promotion of direct business contact through exchange of delegations, Joint Business Councils, holding of exhibitions, participation in fairs etc.